

Affordable Housing Funding Plan

Town Council Meeting

Draft



November 16, 2022



AGENDA

1) Affordable Housing Common Funding Application

2) Funding Sources

3) Project Overviews

4) Recommended Funding Plan



Council Consideration

- **Consider approval of the recommended Affordable Housing Funding Plan**
- **Alternative Options**
 1. Reallocate portions of the HAB Recommended Plan
 2. Refer some requests to CDBG or other funding sources
 3. Allocate Affordable Housing Fund dollars to other requests



Funding Recommendation Highlights

- Support the development of almost 400 new affordable homes
- Support the preservation of over 50 affordable homes
- Town funding would leverage over \$100 million dollars from outside sources
 - Only 12% of project funds would come from the Town



Affordable Housing Common Funding Application

- Town releases Affordable Housing Common Funding Application for affordable housing projects annually
- RFP launched in August of 2022
- Town Funding Sources:
 - Affordable Housing Development Reserve (AHDR)
 - Bond
 - American Rescue Plan Act (ARPA)



Affordable Housing Development Reserve (AHDR)

- Established by Town Council in Fiscal Year 2015
- Annual allocation of \$688,395 in General Fund Budget
- \$5.5 Million allocated since 2015

Eligible Uses:



Land Bank & Acquisition



Rental Subsidy & Development



Homeownership Development & Assistance

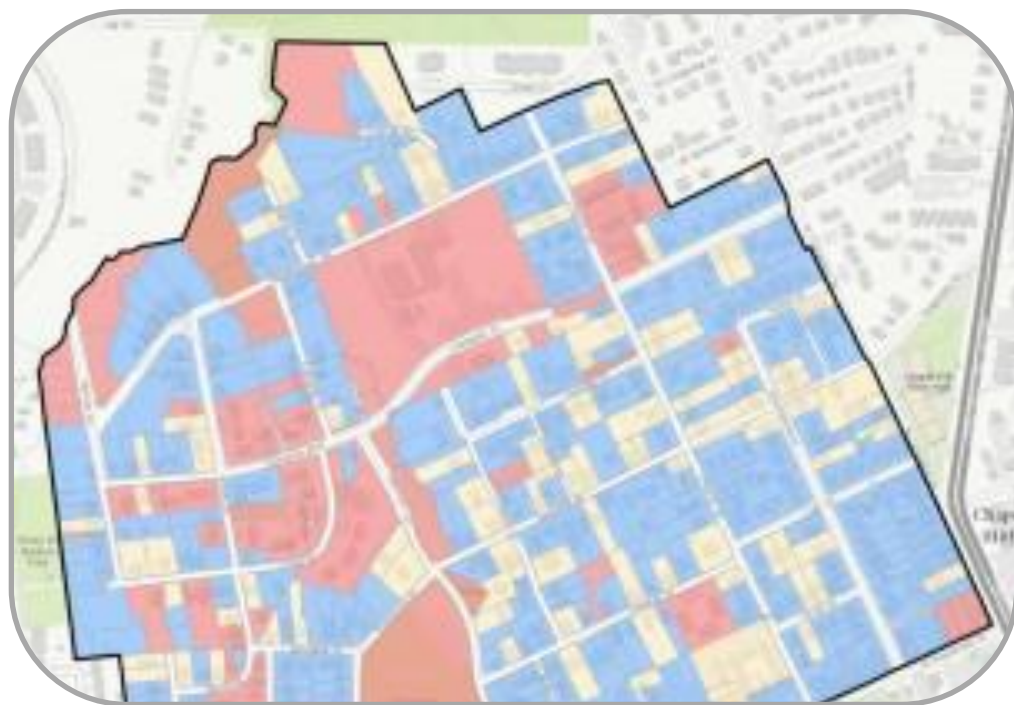


Future Development Planning

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Affordable Housing Bond

- \$5.35 million available to award
- \$5 Million allocated to date
- 450+ affordable housing development units supported with Bond/AHDR
- **Eligible Uses:**



Land Acquisition



Home Repairs & Rehab

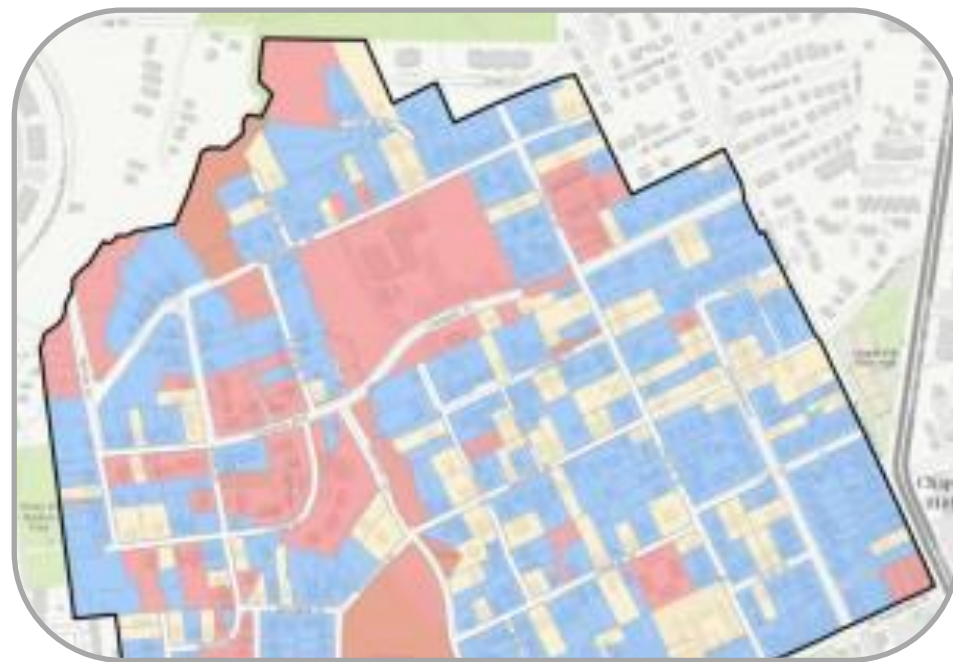


Development

American Rescue Plan Act (ARPA)

- Town received \$10 million in American Rescue Plan Act funding
- \$2.5 million incorporated into this funding process
- Funding for projects must be spent by end of 2026

Eligible Uses:



Land Acquisition



Home Repairs & Rehabilitation



Development

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Funding Available This Cycle

	Amount Available
Outside Agency Requests	\$ 5,278,839
Town-Initiated/Prioritized Projects	\$ 3,175,693
Total	\$ 8,454,530

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Town-Initiated/Prioritized Projects



- Town Council Prioritized Projects
- Two Projects in this Cycle:
 - Trinity Court Redevelopment
 - 9% Low-Income Housing Tax Credit/Prioritized Project (Jay Street, Indigo, etc.)



Town Initiated/Prioritized Projects Funding



Project	Request	Units
Trinity Court Redevelopment	\$ 1,175,691	54
2023-24 9% LIHTC/Prioritized Project	\$ 2,000,000	~50
	\$ 3,175,691	~104

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Housing Advisory Board Evaluation Criteria

Scoring Criteria:

1. Income Target – 30 points
2. Financing and Leverage – 55 points
3. Project Feasibility – 25 points
4. Applicant Experience – 20 points
5. Design – 30 points
6. Project Impact – 45 points
7. Social and Racial Equity – 25 points

Section	Sub-question	Points	Maximum Points	Notes
1. Income Target	a. The households to be served through the proposed project fall within the household income ranges.		30	See Question 7
	Household Income Range	Points		
	0-30% AMI	30		
	31-60% AMI	25		
2. Financing and Leverage	a. The degree to which the proposed project includes other sources of funds.		55	See Question 6
	Percent Funded by Town Source	Points		
	41-100%	0		
	21 - 40 %	5		
	11 - 20 %	10		
	0 - 10 %	15		
	b. Total Town Subsidy Per Unit			See Question 7
	Less than \$20,000	15		
	\$20,001-\$30,000	10		
	\$30,001-\$50,000	5		
\$50,001+	0			
3. Feasibility	c. Total Development Cost Per Unit			
	\$200,000 +	0		
	\$125,000 - \$199,999	5		
	< \$125,000	10		
	d. Town subsidy will be repaid to the Town			
	No	0		
Yes, principal only repayment	10			
Yes, principal and interest repayment	15			
3. Feasibility	a. The applicant can demonstrate zoning compliance.		25	Information
	b. Planning approval already received.		2	See Question 7
	c. 50% of other financing has been committed by other sources.		4	See Attachment- Budget
	d. The project is projected to be completed within 5 years		4	See Attachment - Project Information

Outside Agency Funding Requests

Organization	Project	Request	Units
St. Paul Nida	St. Paul Village	1,000,000	93
Hope Renovations	Home Preservation	300,000	50
Homestead Collaborative	Homestead Gardens	5,475,000	87
EmPOWERment	PEACH Apartments	1,000,000	10
EmPOWERment	Grant Street	279,000	2
Community Home Trust	Carver Street	70,000	1
Community Home Trust	Master Leasing	129,000	8
Habitat for Humanity	Weavers Grove	1,850,000	101
		\$10,103,000	352

Habitat for Humanity – Weavers Grove



Request: \$1,850,000

- Development Project
- 101 affordable units
- AMI Served: 30-80%
- Previous Town Award: \$1,630,692
- Highest score on rubric: 80%



Homestead Collaborative – Homestead Gardens

Request: \$5,475,000

- Development Project
 - Self-Help: \$975,000 for infrastructure and site development
 - CASA: \$1,000,000 for 32 UNC-Horizons apartments
 - CASA: \$2,000,000 for 22 work force housing apartments
 - Community Home Trust: \$1,500,000 for 21 townhomes
- 87 affordable units
- AMI Served: 0-80%
- Previous Town Award:
 - \$3,773,395 funding
 - \$2,484,000 Town- donated land
- Score: 78%



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EmPOWERment – PEACH Apartments



Request: \$1,000,000

- Development Project
- 10 affordable units
- AMI Served: 0-30%
- Previous Town Award:
 - \$501,000 funding
 - \$135,000 Town-donated land
- Score: 75%



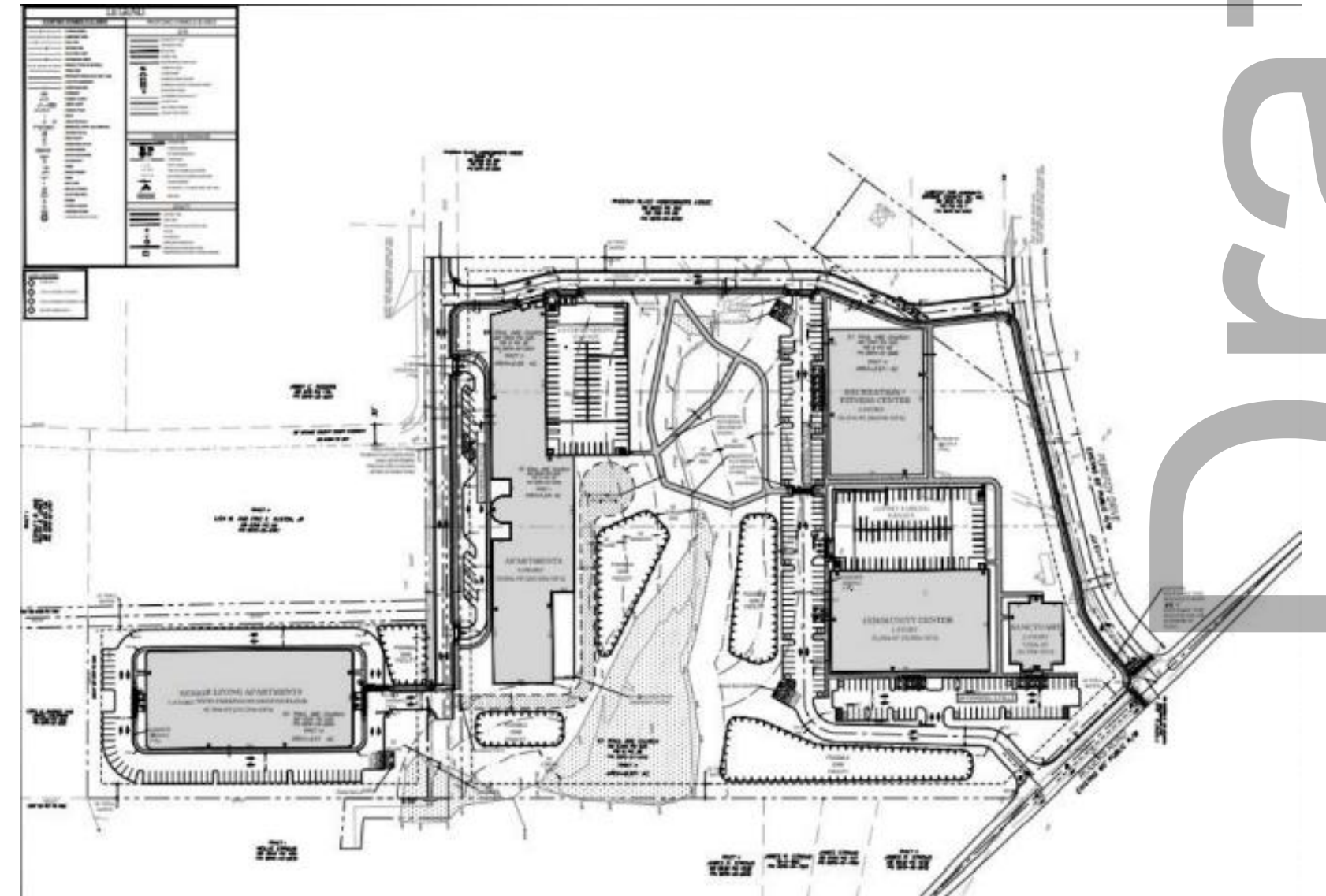
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St. Paul NIDA – St. Paul Village

Request: \$1,000,000

- Development Project
- 93 affordable units
- AMI Served: 30-80%
- Previous Town Award: \$0
- Score: 74%



EmPOWERment – Grant Street



Request: \$279,000

- Acquisition and Rehab
- 2 affordable units
- AMI Served: 0-60%
- Previous Town Award: \$0
- Score: 65%



Grant Street

Hope Renovations – Home Preservation for Seniors and Disabled Adults



Request: \$300,000

- Owner-occupied rehab
- 50 affordable units
- AMI Served: 0-80%
- Previous Town Award: \$0
- Score: 61%



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Community Home Trust – Master Leasing

Request: \$129,000

- Rental housing subsidy
- 8 affordable units
- AMI Served: 0-30%
- Previous Town Award: \$237,000
- Score: 61%



Community Home Trust – Carver Street

Request: \$70,000

- Acquisition
- 1 affordable unit
- AMI Served: 60-80%
- Previous Town Award: \$0
- Score: 60%



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Application Scoring

Scoring Category	Maximum Score	Weavers Grove	Homestead Gardens	Peach Apartments	St. Paul Village	Grant St	Home Preservation for Seniors and Adults	Master Leasing	204 Carver
1. Income Target	30	22	24	30	19	28	25	30	15
2. Financing and Leverage	55	15	5	0	30	0	15	5	5
3. Feasibility	25	20	21	21	15	19	15	0	15
4. Experience	20	17.5	19	17.5	0	20	10	20	20
5. Design	30	30	30	30	20	20	15	10	25
6. Impact	45	45	45	30	45	25	20	0	25
7. Social Equity	25	25	25	25	25	25	25	25	25
8. Bonus Points	20	10	10	20	10	10	0	20	5
TOTAL	230	185	179	174	164	147	125	110	135
Percentage	100%	80%	78%	75%	74%	65%	61%	61%	60%

*Each project's percentage score is based on the maximum score the project could receive. Some aspects of the scoring criteria may not be applicable to an individual project and are not counted in their maximum score.

Housing Advisory Board Funding Recommendation

Project	Organization	Request	Recommendation
Weavers Grove	Habitat for Humanity	\$ 1,850,000	\$ 1,850,000
Homestead Gardens	Homestead Collaborative	\$ 5,475,000	\$ 1,799,839
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000	\$ 1,000,000
St. Paul Village	St. Paul NIDA Inc	\$ 1,000,000	\$ 300,000
Home Preservation for Seniors and Adults	Hope Renovations	\$ 300,000	\$ 200,000
Master Leasing Program	Community Home Trust	\$ 129,000	\$ 129,000
Grant Street	EMPOWERment, INC	\$ 279,000	\$ -
Carver	Community Home Trust	\$ 70,000	\$ -
Total Request		10,103,000	5,278,839

Total Funding Recommendation

Project	Organization	Request	Recommendation	Affordable Units
Weavers Grove	Habitat for Humanity	\$ 1,850,000	\$ 1,850,000	101
Homestead Gardens	Homestead Collaborative	\$ 5,475,000	\$ 1,799,839	87
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000	\$ 1,000,000	10
St. Paul Village	St. Paul NIDA Inc	\$ 1,000,000	\$ 300,000	93
Home Preservation for Seniors and Adults	Hope Renovations	\$ 300,000	\$ 200,000	50
Master Leasing Program	Community Home Trust	\$ 129,000	\$ 129,000	8
Grant Street	EMPOWERment, INC	\$ 279,000	\$ -	0
Carver Street	Community Home Trust	\$ 70,000	\$ -	0
Trinity Court	Town of Chapel Hill	\$ 1,175,000	\$ 1,175,691	54
9% LIHTC/Prioritized Project	Town of Chapel Hill	\$ 2,000,000	\$ 2,000,000	50
Total Request		\$ 13,278,000	\$ 8,454,530	453

Recap of Recommendation Highlights

- Support the development of almost 400 new affordable homes
- Support the preservation of over 50 affordable homes
- Town funding would leverage over \$100 million dollars from outside sources
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Other Eligible Funding Sources

SOURCE	AMOUNT
Affordable Housing Opportunity Fund	\$229,000
Affordable Housing Fund	\$500,000
CDBG Neighborhood Revitalization	\$202,784
FY24 CDBG	~\$270,000
FY24 HOME	~\$400,00
HOME-ARP	\$1.37 million
TOTAL	\$2.57 million

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***Sources that could be applied for in FY23**



Council Consideration

- **Consider approval of the recommended Affordable Housing Funding Plan**
- **Alternative Options**
 1. Reallocate portions of the HAB Recommended Plan
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